

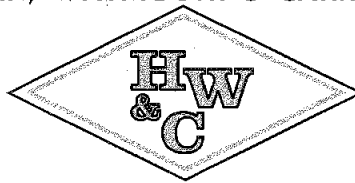
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana
December 31, 2013

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Independent Auditor's Report

Insurance Committee
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Assessors' Insurance Fund, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of revenues, expenses and change in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Assessors' Insurance Fund as of December 31, 2013 and 2012, and the changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 7 and the schedule of 1-10 years claims development information on page 20 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

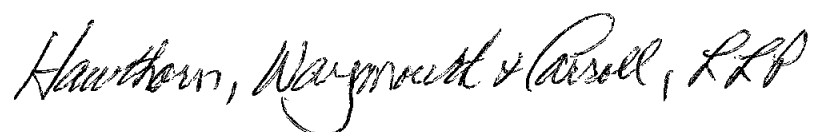
Supplementary Information

Our audit was conducted for the purpose of forming an opinion Louisiana Assessors' Insurance Fund's financial statements. The schedule of per diem payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of per diem payments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of per diem payments is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2014 on our consideration of Louisiana Assessors' Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Assessors' Insurance Fund's internal control over financial reporting and compliance.



May 16, 2014

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2013**

The following is management's discussion and analysis of Louisiana Assessors' Insurance Fund ("Plan") for the year ended December 31, 2013, which highlights relevant aspects of the basic financial statements and provides an analytical overview of the Plan's financial activities.

FINANCIAL HIGHLIGHTS

Assets increased by approximately \$340,000, or 19%, from 2012 to 2013.

The Plan's net position increased approximately \$80,000 in 2013, compared to a decrease in net position of approximately \$270,000 in 2012.

The amount of net premium revenue increased approximately \$24,000 and claim expenses decreased approximately \$950,000 over the prior year amounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the Plan's basic financial statements, together with the related notes to the financial statements, required supplementary information and the supporting schedules, all of which are described as follows.

Balance Sheets - these statements report the Plan's assets, liabilities, and net position as of December 31, 2013 and 2012.

Statements of Revenues, Expenses and Change in Net Position - these statements report the Plan's revenues, expenses, and change in net position for the years ended December 31, 2013 and 2012.

Statements of Cash Flows - these statements report the net increase or decrease in cash and cash equivalents for the years ended December 31, 2013 and 2012.

Notes to the Financial Statements - the financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes is as follows:

Note 1 (Plan Description) provides a general description of the Plan. Information is included regarding the Insurance Committee, plan membership, and a description of the basic insurance benefits.

Note 2 (Summary of Significant Accounting Policies) provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, cash and investments, unpaid claims liability, deferred premiums, reinsurance, income taxes and operating revenues and expenses is included in this note.

Note 3 (Deposits and Investments) describes the categories of cash and investments.

Note 4 (Furniture and Equipment) shows the furniture and equipment, net of accumulated depreciation.

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Note 5 (Claims Expense and Unpaid Claims Reserve) describes changes in the aggregate unpaid claims liabilities from December 31, 2012 to December 31, 2013.

Note 6 (Reinsurance Policy Coverage) outlines the reinsurance policy guidelines and limitations.

Note 7 (Administrative Expenses) details the expenses incurred throughout the year.

Note 8 (Related Party Transactions) provides descriptions of transactions between the Plan and its related parties, Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund.

Note 9 (Assets Measured at Fair Value on a Recurring Basis) details assets recorded at fair value on the balance sheets.

Note 10 (Subsequent Events) provides the date through which subsequent events have been evaluated for disclosure in the financial statements.

LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS

The Plan is a cost sharing, multiple-employer, qualified defined benefit insurance plan covering assessors and their employees employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 47:1922, effective August 30, 1988. The Plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Insurance benefits are funded through premium income.

**Statements of Revenues, Expenses and Change in Net Position
December 31, 2013, 2012 and 2011**

Revenue includes member's premiums and investment income.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013 Percentage Change</u>
Revenues and Expenses				
Revenues	<u>\$ 11,138,908</u>	<u>\$ 11,516,976</u>	<u>\$ 9,759,241</u>	<u>(3%)</u>
Claims expenses and insurance premiums	<u>10,917,198</u>	<u>11,641,278</u>	<u>10,148,862</u>	<u>(6%)</u>
Administrative expenses	<u>140,959</u>	<u>142,565</u>	<u>129,491</u>	<u>(1%)</u>
Total expenses	<u>11,058,157</u>	<u>11,783,843</u>	<u>10,278,353</u>	<u>(6%)</u>
Change in Net Position	<u>\$ 80,751</u>	<u>\$ (266,867)</u>	<u>\$ (519,112)</u>	<u>130%</u>

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2013**

LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS (Continued)

**Balance Sheets
December 31, 2013, 2012 and 2011**

Assets include reinsurance receivable, investments, and prepaid expenses. Liabilities include accounts payable, deferred premiums and unpaid claims.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013 Percentage Change</u>
Assets, Liabilities and Net Position				
Assets	<u>\$2,108,199</u>	<u>\$1,766,225</u>	<u>\$1,522,887</u>	<u>19%</u>
Total assets	<u>\$2,108,199</u>	<u>\$1,766,225</u>	<u>\$1,522,887</u>	<u>19%</u>
Current liabilities	<u>\$1,727,515</u>	<u>\$1,466,292</u>	<u>\$ 956,087</u>	<u>18%</u>
Net position				
Unrestricted	<u>380,684</u>	<u>299,933</u>	<u>566,800</u>	<u>27%</u>
Total liabilities and net position	<u>\$2,108,199</u>	<u>\$1,766,225</u>	<u>\$1,522,887</u>	<u>19%</u>

Requests for Information

This annual financial report is designed to provide a general overview of the Plan's finances for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to Louisiana Assessors' Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Louisiana Assessors' Insurance Fund
Balance Sheets
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 529,326	\$ 329,448
Investments, at fair value		
Mutual funds	567,502	569,796
Money market funds	900,017	1
LAMP funds	64,859	64,821
Premiums receivable	11,461	590
Accrued investment income	231	156
Reinsurance receivable	—	771,112
Other receivables	<u>34,803</u>	<u>30,301</u>
 Total assets	 <u>\$ 2,108,199</u>	 <u>\$ 1,766,225</u>
Liabilities		
Accounts payable	\$ 123	\$ 7,609
Unearned revenue	126,166	55,175
Unpaid claims liability	<u>1,601,226</u>	<u>1,403,508</u>
 Total liabilities	 1,727,515	 1,466,292
Net Position		
Unrestricted	<u>380,684</u>	<u>299,933</u>
 Total liabilities and net position	 <u>\$ 2,108,199</u>	 <u>\$1,766,225</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Statements of Revenues, Expenses and Change in Net Position
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues		
Premiums earned	\$10,778,913	\$10,526,001
Premiums ceded	<u>(1,751,929)</u>	<u>(1,522,965)</u>
Net premiums earned	9,026,984	9,003,036
Net appreciation (depreciation) of investments	(4,795)	(17,115)
Interest and dividends	2,630	16,903
Reinsurance proceeds	<u>362,160</u>	<u>991,187</u>
Total revenues	<u>9,386,979</u>	<u>9,994,011</u>
Expenses		
Claims expenses	9,165,269	10,118,313
Administrative expenses	<u>140,959</u>	<u>142,565</u>
Total expenses	<u>9,306,228</u>	<u>10,260,878</u>
Change in Net Position	80,751	(266,867)
Net Position		
Beginning of year	<u>299,933</u>	<u>566,800</u>
End of year	<u>\$ 380,684</u>	<u>\$ 299,933</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Receipts from premiums	\$ 10,763,540	\$ 10,527,318
Payments for claims	(8,967,551)	(9,597,603)
Payments for insurance premiums	(1,680,938)	(1,522,965)
Payments for administrative expenses	(148,445)	(148,315)
Receipts from reinsurance carriers	1,133,272	316,474
Interest and dividends received	<u>2,555</u>	<u>17,317</u>
Net cash provided by (used in) operating activities	<u>1,102,433</u>	<u>(407,774)</u>
Cash Flows from Investing Activities		
Purchase of investments	(902,555)	(17,007)
Proceeds from sale of investments	<u>—</u>	<u>700,000</u>
Net cash provided by (used in) investing activities	<u>(902,555)</u>	<u>682,993</u>
Net Increase in Cash and Cash Equivalents	199,878	275,219
Cash and Cash Equivalents, beginning of year	<u>329,448</u>	<u>54,229</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 529,326</u></u>	<u><u>\$ 329,448</u></u>
Reconciliation of Change in Net Position to Net Cash		
Provided by (Used in) Operating Activities		
Change in net position	\$ 80,751	\$ (266,867)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities		
Unrealized loss on investments	4,795	9,316
Realized loss on investments	—	7,799
(Increase) Decrease in assets:		
Premiums receivable	(10,871)	456
Accrued investment income	(75)	414
Reinsurance receivable	771,112	(674,713)
Other receivables	(4,502)	5,616
Increase (Decrease) in liabilities:		
Accounts payable	(7,486)	(5,750)
Unearned revenue	70,991	(4,755)
Unpaid claims liability	<u>197,718</u>	<u>520,710</u>
Net cash provided by (used in) operating activities	<u><u>\$ 1,102,433</u></u>	<u><u>\$ (407,774)</u></u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 1-Plan Description

The following description of Louisiana Assessors' Insurance Fund ("Plan"), a public entity risk pool, provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

The Plan provides health and other benefits covering all assessors and assessors' employees throughout the State of Louisiana. Participation is voluntary and participants may withdraw by giving proper notice. The Plan's general objective is to formulate, develop and administer on behalf of the participating members, a program of inter-local risk management to obtain lower cost for insurance coverage. Contributions required by the Plan are determined by the Insurance Committee of Louisiana Assessors' Association. The Plan and related trust were established on August 30, 1988, pursuant to Louisiana Revised Statute 47:1922.

The Plan provides health benefits (medical, hospital, surgical, major medical, and dental), life insurance coverage, long-term disability benefits, vision and death benefits to participants and to their beneficiaries and covered dependents. Retired employees are entitled to similar health benefits (in excess of Medicare coverage) provided they have attained at least age 55 with twelve years of service, or thirty years of service regardless of age.

Health and dental claims of active and retired participants, dependents, and beneficiaries are processed by HealthSmart, Inc., the third party administrator, but the responsibility for payments to participants and providers is retained by the Plan. Group life insurance and accidental death and dismemberment insurance are provided by American General Life Insurance Company. Disability coverage and supplemental life insurance are provided by Metropolitan Life Insurance Company. Vision coverage is provided by AIG Life Insurance Company and claims are processed by National Vision Administrators, Inc.

Louisiana Assessors' Association (LAA) provides bookkeeping support as well as other administrative functions for the Plan.

The Plan is affiliated through common membership and management control with LAA and Louisiana Assessors' Retirement Fund. Although these entities are related parties, their various net positions are available only to the individual entity for its operations. For this reason, each entity is presented as a separate "stand alone" entity in accordance with Governmental Accounting Standards Board (GASB) Statement Nos. 10 and 14.

The Plan's Insurance Committee, as Administrator, has the right under the Plan to modify the benefits provided to active and retired employees. The Plan may be terminated at any time.

Total membership in the Plan at December 31st is as follows:

	<u>2013</u>	<u>2012</u>
Retirees and beneficiaries receiving health care benefits	389	364
Active plan members	<u>702</u>	<u>686</u>
Total	<u>1,091</u>	<u>1,050</u>

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the Government Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The Plan is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net position are necessary or useful for sound financial administration. GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Premiums are recognized on a monthly prorated basis over the respective terms of the policies. Premiums applicable to the unexpired terms of the policies in force are reported as unearned revenue at the balance sheet date.

B. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results may differ from those estimates. Significant estimates made by management which might affect these financial statements include, but are not limited to, unpaid claims.

Unpaid claims liability is established by management based on review of claim payment history and anticipated future claims. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available and it is reasonably possible that a change in this estimate will occur in the near term.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less which are not under investment management for long-term purposes.

D. Premium and Other Receivables

Premium and other receivables are comprised of amounts due from members' reinsurance companies, and other sources stated at the amount the Plan expects to collect. The Plan provides for probable uncollectible amounts through a charge to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable once amounts are determined to be uncollectible. At December 31, 2013 and 2012, no allowance for doubtful accounts had been recorded.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 2-Summary of Significant Accounting Policies (Continued)

E. Investments

Investments are reported at fair value. Fair value is based on the last reported sales price if available; if not available, fair value is based on estimated fair value. Realized and unrealized gains and losses on investments recorded at fair value are included in net appreciation (depreciation) of investments.

F. Furniture and Equipment

Furniture and equipment is stated at cost and is depreciated over the estimated useful lives of the assets utilizing the straight line method. It is the Plan's policy to capitalize expenditures for those items in excess of \$500. Lesser amounts are expensed. The estimated useful lives of the assets are as follows:

Furniture and Equipment	7-10 years
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G. Unpaid Claims Liability

The Plan establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported.

The methodology for developing self-insurance reserves is based on management estimates. The estimation process considers, among other matters, the cost of known claims over time, inflation, and incurred but not reported claims. These estimates may change based on, among other things, changes in claim history or receipt of additional information relevant to assessing the claims. Further, these estimates may prove to be inaccurate due to factors such as adverse judicial determinations or other claim settlements at higher than estimated amounts. Accordingly, the Plan may be required to increase or decrease its reserve levels.

H. Reinsurance

The Plan uses reinsurance to reduce its exposure to large losses on insured events. Further description of the reinsurance coverage is described in Note 6. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Plan as direct insurer of the risk reinsured. The Plan does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Claims expenses consist of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense, and a reduction for claims covered by the reinsurer in accordance with the reinsurance policy.

I. Income Taxes

The Plan is exempt from federal income taxes under Section 501(c)(9) of the Internal Revenue Code.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 2-Summary of Significant Accounting Policies (Continued)

J. Fair Value Measurements

In accordance with the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The topic establishes a hierarchical framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

The Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Plan determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level I: Quoted prices (unadjusted) in active markets which are accessible at the measurement date.

Level II: Prices based on observable inputs corroborated by market data but no quoted active markets.

Level III: Prices based on unobservable inputs, including situations where there is little, if any, market activity for the assets or liabilities. The inputs used in the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investments.

Note 3-Deposits and Investments

Deposits - Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Deposits are classified in terms of whether they are exposed to custodial credit risk, the risk that in the event of a bank failure, the Plan's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Plan.

At December 31, 2013 and 2012, the Plan's total bank balances were fully insured and collateralized with securities held in the name of the Plan by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 3-Deposits and Investments (Continued)

Investments - All of the Plan's investments are insured or registered and held by a bank-administered trust fund or a Securities and Exchange Commission registered broker-dealer. The weighted average maturity of the Plan's investments is 1.9 years and the average duration is 1.7 years with individual investments having maturities ranging from less than one to three years. All of the Plan's investments are rated AAA by Standard & Poor's.

The Plan's investments, which are carried at fair value, are comprised of the following at December 31:

	<u>2013</u>	<u>2012</u>
Federated U.S. Government Fund	\$ 567,502	\$ 569,796
Money Market Funds	900,017	1
LAMP	<u>64,859</u>	<u>64,821</u>
	<u>\$1,532,378</u>	<u>\$ 634,618</u>

The Plan holds investments in the Louisiana Assets Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The following investments represent 5% or more of the Plan's net position at year end:

	<u>2013</u>	<u>2012</u>
Federated U.S. Government Fund	<u>\$ 567,502</u>	<u>\$ 569,796</u>
Money Market Funds	<u>\$ 900,017</u>	<u>\$ —</u>
LAMP	<u>\$ —</u>	<u>\$ 64,821</u>

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 4-Furniture and Equipment

Furniture and equipment as of December 31, 2013 and 2012, is as follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 13,342	\$ 13,342
Less: accumulated depreciation	<u>(13,342)</u>	<u>(13,342)</u>
	<u>\$ —</u>	<u>\$ —</u>

There was no depreciation expense recognized for the years ended December 31, 2013 and 2012.

Note 5-Claims Expense and Unpaid Claims Reserve

The following represents changes in the aggregate unpaid claims liabilities for the Plan for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Unpaid claims and loss adjustment expenses at beginning of fiscal year	<u>\$ 1,403,508</u>	<u>\$ 882,798</u>
Incurred losses and loss adjustment expenses		
Provision for insured events of current year	9,239,023	10,201,434
Increases (decreases) in provision for insured events of prior fiscal years	<u>(73,754)</u>	<u>(83,121)</u>
Total incurred losses and loss adjustment expenses	<u>9,165,269</u>	<u>10,118,313</u>
Payments		
Losses and loss adjustment expenses attributable to insured events of current fiscal year	7,637,797	8,807,974
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	<u>1,329,754</u>	<u>789,629</u>
Total payments	<u>8,967,551</u>	<u>9,597,603</u>
Unpaid claims and loss adjustment expense at end of fiscal year	<u>\$ 1,601,226</u>	<u>\$ 1,403,508</u>

Note 6-Reinsurance Policy Coverage

The Plan and its reinsurers represent a cooperative program for group funding and risk management of accident and health claims of participating Louisiana Assessors. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the participants, and the Plan has authority to assess the participants to fund any deficits incurred.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 6-Reinsurance Policy Coverage (Continued)

The Plan obtained reinsurance from a commercial insurer providing a specific loss coverage of \$1,800,000 for each and every loss in excess of an annual \$200,000 deductible.

Reinsurance premiums for health claims included in premiums ceded totaled \$527,195 and \$508,055 for the years ended December 31, 2013 and 2012, respectively.

Note 7-Administrative Expenses

The following administrative expenses were incurred during the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Administrative allocation	\$116,730	\$112,518
Other operating expenses	1,498	1,368
Office supplies	283	1,573
Per diem	3,600	4,650
Professional fees	14,336	17,777
Travel	1,802	1,944
Copier reimbursement	<u>2,710</u>	<u>2,735</u>
	<u>\$140,959</u>	<u>\$142,565</u>

Note 8-Related Party Transactions

The Plan is related to Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund through common membership and management. The Plan reimburses the Association for office space, utilities and other shared costs. For the years ended December 31, 2013 and 2012, these reimbursements were composed of the following:

	<u>2013</u>	<u>2012</u>
Administrative allocation	\$116,730	\$112,518
Copier reimbursement	<u>2,710</u>	<u>2,735</u>
	<u>\$119,440</u>	<u>\$115,253</u>

The Plan receives premiums from Louisiana Assessors' Association for benefit coverages for its employees. These premiums totaled \$71,612 and \$60,718 for the years ended December 31, 2013 and 2012, respectively.

The Plan receives premiums from Louisiana Assessors' Retirement Fund for health coverage withheld for retirees' benefits. These premiums totaled \$377,883 and \$354,427 for the years ended December 31, 2013 and 2012, respectively.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2013

Note 9-Assets Measured at Fair Value on a Recurring Basis

For all investments, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
December 31, 2013				
Investments				
Federated U.S. Government Fund	\$ 567,502	\$ -	\$ -	\$ 567,502
Money Market funds	900,017	-	-	900,017
LAMP	<u>64,859</u>	<u>-</u>	<u>-</u>	<u>64,859</u>
	<u>\$1,532,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,532,378</u>
December 31, 2012				
Investments				
Federated U.S. Government Fund	\$ 569,796	\$ -	\$ -	\$ 569,796
Money Market funds	1	-	-	1
LAMP	<u>64,821</u>	<u>-</u>	<u>-</u>	<u>64,821</u>
	<u>\$ 634,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,618</u>

Note 10-Subsequent Events

The Plan evaluated all subsequent events through May 16, 2014, the date the financial statements were available to be issued. As a result, the committee noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Required Supplementary Information

Louisiana Assessors' Insurance Fund
Schedule of 1-10 Year Claims Development Information
Years Ended December 31, 2013 - 2004

Required contribution and investment revenue	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Earned	\$11,138,908	\$11,516,976	\$ 9,759,241	\$ 9,242,619	\$ 8,568,660	\$ 8,619,160	\$ 8,600,292	\$ 8,240,196	\$ 8,067,930	\$ 6,753,574
Ceded	<u>(1,751,929)</u>	<u>(1,522,965)</u>	<u>(1,345,719)</u>	<u>(1,350,184)</u>	<u>(1,291,133)</u>	<u>(1,173,280)</u>	<u>(1,198,249)</u>	<u>(1,135,537)</u>	<u>(1,118,956)</u>	<u>(1,055,198)</u>
Net earned	9,386,979	9,994,011	8,413,522	7,892,435	7,277,527	7,445,880	7,402,043	7,104,659	6,948,974	5,698,376
Unallocated expenses	140,959	142,565	129,491	124,829	119,655	119,110	118,171	118,801	125,595	119,333
Estimated claims and expenses end of policy year										
Incurred	9,601,183	11,106,590	8,751,503	7,951,819	7,839,399	7,615,677	7,035,121	6,402,458	6,825,391	6,939,709
Ceded	<u>(362,160)</u>	<u>(905,156)</u>	<u>(170,280)</u>	<u>—</u>	<u>(22,645)</u>	<u>(190,385)</u>	<u>(23,506)</u>	<u>—</u>	<u>—</u>	<u>(127,982)</u>
Net incurred	9,239,023	10,201,434	8,581,223	7,935,205	7,816,754	7,425,292	7,011,615	6,402,458	6,825,391	6,811,727
Net paid, cumulative as of										
End of policy year	7,637,797	8,807,974	7,708,473	7,302,868	7,155,417	6,573,119	5,808,618	5,218,744	5,838,598	6,461,635
One year later		10,137,728	8,498,102	8,157,125	7,700,382	7,403,218	7,089,549	6,522,616	6,969,265	7,016,448
Two years later				8,157,125	7,700,382	7,423,965	7,089,549	6,522,616	6,969,265	7,016,448
Three years later					7,700,382	7,423,965	7,089,549	6,522,616	6,969,265	7,016,448
Four years later						7,423,965	7,089,549	6,522,616	6,969,265	7,016,448
Five years later							7,089,549	6,522,616	6,969,265	7,016,448
Six years later								6,522,616	6,969,265	7,016,448
Seven years later									6,969,265	7,016,448
Eight years later										7,016,448
Nine years later										
Ten years later										
Re-estimated net incurred claims and expenses										
End of policy year	9,239,023	10,201,434	8,581,223	7,935,205	7,816,754	7,425,292	7,011,615	6,402,458	6,825,391	6,811,727
One year later		10,127,680	8,498,102	8,157,125	7,700,382	7,403,218	7,089,549	6,522,616	6,941,239	7,016,448
Two years later				8,157,125	7,700,382	7,423,965	7,089,549	6,522,616	6,941,239	7,016,448
Three years later					7,700,382	7,423,965	7,089,549	6,522,616	6,941,239	7,016,448
Four years later						7,423,965	7,089,549	6,522,616	6,941,239	7,016,448
Five years later							7,089,549	6,522,616	6,941,239	7,016,448
Six years later								6,522,616	6,941,239	7,016,448
Seven years later									6,941,239	7,016,448
Eight years later										7,016,448
Nine years later										
Ten years later										
Increase (Decrease) in estimated net incurred claims and expenses from end of policy year	—	(73,754)	(83,121)	221,920	(116,372)	(1,327)	77,934	120,158	115,848	204,721

The preceding table is Supplementary Information required by Governmental Accounting Standards Board Statement Number 30 (GASB 30). The Schedule illustrates how the Plan's earned revenue (net of reinsurance) plus investment income compare to related costs of loss (net of assumed reinsurance) plus other costs at the end of each year.

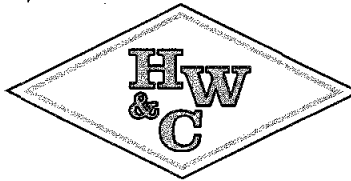
Supplementary Information

Louisiana Assessors' Insurance Fund
Schedules of Per Diem Payments
Years Ended December 31, 2013 and 2012

	<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Paid Board Member	<u>of Days</u>	<u>Paid</u>	<u>of Days</u>	<u>Paid</u>
Terry Baker	—	\$ —	4	\$ 300
Katherine P. Broadway	3	225	4	300
Kathryn S. Broussard	—	—	5	375
Emmett Brown, III	4	300	4	300
Jerry L. Clark	4	300	5	375
Randell A. Fletcher	4	300	3	225
D. Rick Hargis	—	—	5	375
John Hill	3	225	5	375
Romona Kelley	2	150	—	—
James Laurent, Jr.	3	225	—	—
Michael H. Martin	2	150	4	300
Daniel Maxwell	4	300	—	—
Lawrence Patin	4	300	5	375
Bob Robinson	4	300	5	375
Randy Sexton	3	225	3	225
Andrew Simpson	4	300	5	375
Glenn Waguespack	4	300	5	375
		<u>\$ 3,600</u>		<u>\$ 4,650</u>

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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CHARLES R. PEVEY, JR., C.P.A.
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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Insurance Committee
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Assessors' Insurance Fund, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Louisiana Assessors' Insurance Fund's basic financial statements, and have issued our report thereon dated May 16, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Assessors' Insurance Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Assessors' Insurance Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Weymouth & Carmel, LLP

May 16, 2014

**Louisiana Assessors' Insurance Fund
Schedule of Audit Findings
Year Ended December 31, 2013**

None.

**Louisiana Assessors' Insurance Fund
Schedule of Prior Year Audit Findings
Year Ended December 31, 2013**

None.